

RESOLUTION NO. 2019- 225

A RESOLUTION APPROVING THE USE OF SECOND GENERATION ENTERPRISE ZONE ASSISTANCE FUNDS FOR ECONOMIC DEVELOPMENT LOAN TO GARDEN TRUCK STOP, LLC (OR ITS ASSIGNS).

WHEREAS, the City of Vineland Revolving Loan Fund Second Generation Loan Committee has submitted a proposal dated April 30, 2019, for use of Second Generation Enterprise Zone Assistance Funds for the following project: Economic Development Garden Truck Stop, LLC (or is assigns).; and

WHEREAS, it is considered to be in the best interest of the City of Vineland and the community in particular that Second Generation Enterprise Zone Assistance Funds be utilized for the above-mentioned project; now, therefore,

BE IT RESOLVED by the City Council of the City of Vineland that said Council does hereby approve the use of Second Generation Enterprise Zone Assistance Funds for the following project, in accordance with the proposal submitted by the City of Vineland Revolving Loan Fund Second Generation Loan Committee:

Economic Development Loan to:

Garden Truck Stop, LLC (or its assigns)	\$140,000.00
(increase to an existing loan package)	

BE IT FURTHER RESOLVED that the Mayor is hereby authorized to execute all documents associated with this loan.

Adopted:

\_\_\_\_\_  
President of Council

ATTEST:

\_\_\_\_\_  
City Clerk



ECONOMIC DEVELOPMENT  
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**MEMORANDUM**

TO: City Council President and Members

FROM: City of Vineland Revolving Loan Fund  
Second Generation Loan Committee

SUBJECT: **Applicant:** Garden Truck Stop, LLC  
**Loan Amount:** \$140,000.00 (increase to an existing loan package)

DATE: April 30, 2019

Dear Council President Spinelli, Councilmen Acosta, Franceschini, Vargas, and Councilwoman Arthur:

On behalf of the City of Vineland Revolving Loan Fund Second Generation Loan Committee, please accept this letter recommending a commitment be given to the above applicant for a Second Generation loan in the amount as stated herein above.

Please note that the committee finds that the purpose of the loan meets the criteria set forth in the Statute made and provided governing Urban Enterprise Zone Loans. The committee further finds that the loan will promote economic development, creation/retention of jobs, and/or tax ratables that will benefit the City of Vineland.

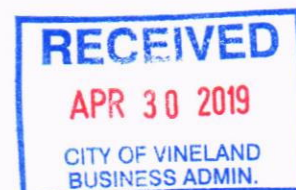
Further, please note that based on the information provided, the applicant has the present ability to repay said loan and the loan would be properly protected in that the pledged collateral has a net value which equals or exceeds the amount of the requested funding.

Respectfully submitted,

Sandra Forsosky  
Director of Economic Development

SF/fd

cc: Frank DiGiorgio  
file



Special arrangements for persons with disabilities may be made if requested in advance by contacting the Business Administrator's office at 856-794-4144.

**VINELAND UEZ LOAN COMMITTEE  
LOAN PROPOSAL**

**Date:** April 18, 2019

**Borrower Name and Address (s):** Garden Truck Stop, LLC  
2114 W. Garden Road  
Vineland, NJ 08360

**Request:** Modification and **Increase in total of approved loans for project in the amount of \$140,000. Combine all outstanding loans (\$700,000, \$160,000 and subject amount of \$140,000) into one loan of \$1,000,000**, commercial term loan for a truck wash/truck stop, diesel fueling station and, dining / convenience store area to be located on W. Garden Road opposite to the entrance of the Vineland Industrial Park – South. **Increase of \$140,000 due to cost increases in steel, asphalt, and labor, fees for COAH, fees to establish independent credit cards and related application fees and added furniture, fixtures, and equipment (see page 2 for cost areas increased).**

**Interest Rate:** 5.50% (increase of 0.50%)

**Term of Loan:** 20 Years

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**1. BACKGROUND:** Zyggi Dobkowski and, his wife Diane Dobkowski, are the owners of Z & D Realty, LLC (“Z & D Realty”), a real estate holding company with property ownership interests in Vineland, NJ. Last year, Z & D Realty, LLC, sold the B & E Apartments, a 40 unit apartment facility located on Park Avenue, near Valley Ave. in Vineland which they owned for over ten (10) years. Z & D Realty currently owns two buildings in the heart of the Vineland Downtown Improvement District – Main Street Area. The building located at 619 E. Landis Avenue is comprised of approximately 11,200 sq. ft. (5,600 sq. ft. of ground level and 5,600 sq. ft. basement) and was the former retail location of a pharmacy and known back in the day as the Grant Building or Grant’s retail store, is currently utilized as a banquet, event / catering, reception hall. The building located at 623 E. Landis Ave. has been renovated with a restaurant on the main street/ground level known as the Landis Pig Roast (SouthWestern flair themed – pulled pork, roasted chicken and popoosa etc.) and four residential apartments on the second and third floors. Recently, Mr. Dobkowski formed Garden Truck Stop, LLC (“Garden” or “Garden Truck Stop”), a single member - limited liability company, to construct, operate and own the Garden Truck Stop located at 2114 W. Garden Road, Vineland, NJ.

Zyggi Dobkowski has spent the past thirty-one (31+) years in the food service and hospitality industry. He is currently a captain (similar to a restaurant manager position) at Caesar’s Atlantic City on a part time basis. He has previous experience in the New York restaurant industry as well as having been employed by the son of RJ Reynolds (magnate of the cigarette company) in Palm Beach, Florida, and Alan Hale (the “Skipper” character actor of the Gilligan’s Island show) in California. Mr. Dobkowski plans on continuing his job in Atlantic City while, and along with his wife, manage the Landis Pig Roast, Grant Plaza venture as well as their real estate investments. He currently resides in Egg Harbor Township with his wife Diane.

The Garden Truck Stop, LLC’s project, the subject project, has received City of Vineland Planning Board Approval on June 14, 2017. The project is a complete truck stop inclusive of a truck wash (two-bay), a five-pump diesel fuel service area, a restaurant / convenience luncheonette area with an accessory apartment unit on second floor. Amenities such as a bathrooms and shower area and tv/entertainment area will be included on site for truck drivers. **Project has received temporary certificate of occupancy and has been operating since end of March 2019.**

**1a. COMPETITION:** Local competition in from of one other truck stop known as Major Truck Stop located on N. Main Road, Vineland, NJ. The next closest competitor will be that of , near the Delaware Memorial Bridge (Flying J – Carneys Point and PILOT Travel Center – Carneys Point).

**1b. PROJECT:** The project is a complete truck stop inclusive of a truck wash, a five-pump diesel fuel service area, a restaurant area with an accessory apartment unit on second floor. The project cost and funding are broken down below:

<u>Uses</u>		<u>Sources</u>	
Sign	\$ 80,000	UEZ	\$1,000,000 \$860,000* Previously
Pumps, tanks - Labor	225,000	Borrower	1,515,000
Canopy	30,000	Total	\$2,515,000 \$1,985,000 Previously
Concrete, Asphalt, Stucco	255,000		
Site Work (above & underground)	185,000		
HVAC/Plumbing	200,000		
Equipment	115,000		
Additional FF&E	15,000		
Building	600,000		
Electrical	110,000		
Land Acquisition	225,000		
Land Clearing / Grading	150,000		
Sewer extension	165,000		
Credit card setup	20,000		
COAH Fee	40,000		
Soft Costs	100,000		
Total	\$2,515,000		(\$1,985,000 Previously)

\*Borrower began funding the project on the onset with UEZ providing a six month, interest-only loan \$700,000 loan then increasing via a second loan of \$160,000 (converting to Amortizing Status in April 2019). Borrower injected personal resources into project first. Approximately \$1,500,000+ was spent by Borrower.

**2. COLLATERAL:**

- a.) **1<sup>st</sup> Mortgage** lien position on the real estate and improvements located at 2114 W. Garden Road, Vineland, Cumberland County, New Jersey a/k/a Block 608, Lot 8,
- b.) Assignment of rents and leases,
- c.) UCC-1 Filing and Security Agreement (State of New Jersey – general filing) on all machinery, equipment and business assets now owned and hereafter acquired of Garden Truck Stop, LLC,
- d.) UCC-1 Filing and Security Agreement (Cumberland County – general filing) on all fixtures and business assets now owned and hereafter acquired of Garden Truck Stop, LLC.
- e.) **Evidence that +-\$1,700 mechanic lien has been addressed and will need to be removed.**

**3. GUARANTORS:**

- a.) Personal Guaranty of Zyggi Dobkowski,
- b.) Personal Guaranty of Dian Dobkowski.

**4. LIEN POSITION:** First.

**5. DOLLAR AMOUNT AND HOLDER OF PRIOR LIENS:** N/A.

**6. SIZE OF PARCEL:** +-5 acres.

**7. IMPROVEMENTS THEREON:** +-12,000 sq. ft., two story building inclusive of a two bay tractor trailer/truck wash and diesel fuel dispensing facility. The two story building is improved with dining convenience area, 2<sup>nd</sup> floor office, mechanical room, customer shower area, and owner living quarters.

**8. LOCATION OF PROPERTY:** 2114 W. Garden Road, Vineland, Cumberland County, New Jersey  
a/k/a Block 608, Lot 8.

**9. APPRAISAL INFORMATION:** The Borrower has requested that due to substantial capital injection, that an appraisal be waived. The Loan-to-Project cost is 35%. Assuming \$1,500,000 assessed value, LTV to assessed value will be 67%.

**10. FINANCIAL:**

**11. SUBSTANTIATION:** DSCR = 4.70x, LTV 67%

- New real estate tax ratable for City of Vineland.
- Development along Garden Road Industrial Parks area (catalyst for future development).
- Creation of a minimum 7 total jobs, 3 full time jobs for Borrower and contractor truck wash jobs estimated at 4.
- Staging area for trucks could provide some traffic relief in the area.
- Developer is existing customer of UEZ Loan program with excellent repayment history.

**12. RECOMMENDATION:**